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# Foxwoods joins chase for casino license in Mass.

By **Mark Arsenault** | GLOBE STAFF FEBRUARY 10, 2013



SUZANNE KREITER/GLOBE STAFF

**Scott Butera (left), chief executive of Foxwoods, has signed on to a casino project proposed by developer David Nunes. Nunes wants to build a resort on land off Interstate 495 in Milford. Foxwoods joins the Milford venture as a full partner and stakeholder, and will operate the gambling resort if the project wins a license, Butera said.**

Foxwoods Resort Casino, a dominant name in the New England gambling market, is joining the Massachusetts casino sweepstakes as a partner in a Milford proposal, and promising a “full court press” for the sole casino resort license in the Boston region.

The Connecticut casino operator’s decision instantly enhances the credibility of the Milford project, and intensifies the competition for what is expected to be the most lucrative casino license in the state. The addition of Foxwoods, the prototype for the

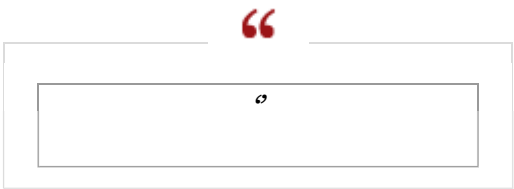
rural Northeast gambling resort, is likely to bring new attention to the debate over the comparative merits of urban and suburban casinos.

“We feel strongly that we’re the best option, in terms of our expertise in this area, the quality of our site and what we’ll do,” said Scott Butera, Foxwoods’ chief executive.

Foxwoods will compete directly with Suffolk Downs, which has proposed a casino in East Boston with Caesars Entertainment, and Wynn Resorts, which plans a hotel casino resort on the Mystic River waterfront in Everett. The competition in the Boston reigon has developed into a heavyweight brawl among three of the best-known players in the US gambling industry.

The Connecticut tribal casino, run by the Mashantucket Pequot, was the vanguard of casino expansion into New England, beginning in 1986 as a bingo hall and expanding with Las Vegas-style table games and slot machines in the early 1990s. The \$3 billion resort has grown to massive scale at the Pequots’ reservation in Southeastern Connecticut.

The Foxwood plan is a late entry in the contest, joining a project proposed by developer David Nunes, who controls 177 acres off Interstate 495 in Milford, about 35 miles from Boston. Nunes and his other partners submitted an application, and the nonrefundable \$400,000 fee, to the state gambling commission on Jan. 15, just 10 minutes before the application deadline.



Foxwoods joins the Milford venture as a “full partner” and stakeholder, and will operate the gambling resort if the project is licensed, said Butera. He declined to say how much Foxwoods will invest, but said the amount “will be substantial.”

The partners have not yet settled on a name for the development, but it will be a Foxwoods brand resort, they said. A Foxwoods casino in Massachusetts would be a commercial resort governed by state gambling laws, unlike the Pequot’s tribal casino in Connecticut, which was created under federal law.

The state gambling commission will award up to three casino resort licenses, no more than one in each of three regions of Massachusetts. The commission expects to award the first resort license by next February. Four casino companies are competing for the Western Massachusetts resort license, including a project backed by the tribal entity

that runs Mohegan Sun casino in Connecticut.

Casino development in the southeast is on hold to give the Mashpee Wampanoag time to make progress on a tribal casino in Taunton. Two other gambling companies submitted applications at the deadline but have not yet announced sites.

Suffolk Downs and Wynn have each proposed resorts in Greater Boston estimated to cost \$1 billion or more. Butera and Nunes declined to reveal a budget for their proposal, but promised it will be competitive.

Until recently, Butera did not expect Foxwoods to compete for a license in Massachusetts. But in recent months, Nunes reached out to the Foxwoods chief executive, who last year said it would restructure more than \$2 billion in debt.

“It was right place, right time,” said Butera, of the Milford project. “We’re in a position to move on an opportunity like this at this point. All of the heavy work regarding [the debt restructuring] is behind us and we’re looking for ways to expand our brand. Obviously this is a great market for us and this is a natural extension of what we do.”

Butera said he “absolutely loves the site” in Milford. “It’s an area where you can build with very little disruption.”

Foxwoods would have a great deal of influence in the design of the resort. “I think we’ve learned a lot [in Connecticut],” said Butera. “We’ve learned what our customers like and don’t like, and I think we can take our expertise to build something that will reflect what this area wants.” He promised “something very high quality and elegant, that represents the local flavor.”

Artist renderings of the proposed development, which Nunes has released in recent years, will be refined to reflect Foxwoods’ style, they said.

Foxwoods’ two decades of experience running a large New England gambling business will be a key selling point, as the developers build their case for the gambling commission.

“We have a customer base in this market that we think we can immediately plug into this property,” said Butera. “Our brand is very well known in this market and highly regarded.”

The tax rate for commercial resort casinos in Massachusetts is 25 percent of all

gambling revenue. Foxwoods, a tribal casino run by the Mashantucket Pequot, pays a similar share to Connecticut — but only on slot machine profits. Butera said the broader Bay State tax rate would not affect how Foxwoods markets the two properties.

“I don’t think we’re going to transfer people from one jurisdiction to another,” he said. “Players enjoy going to new properties. They enjoy going to properties that are convenient for them. For Foxwoods to have a presence that’s closer to home for some of our higher-end players would be a great opportunity for us and for them.”

About one-third of Foxwoods’ visitors come from Massachusetts, according to 2012 estimates from the University of Massachusetts Dartmouth Center for Policy Analysis. Gamblers like the convenience of a short drive, and Butera has acknowledged that Foxwoods in Connecticut stands to lose a portion of its Bay State business when casinos open in Massachusetts. But getting a substantial piece of the Massachusetts market would help insulate Foxwoods from cross-border competition: they would essentially be losing customers to themselves.

A viable casino project in Milford will give the gambling commission a clear, suburban alternative to the urban resorts proposed by Suffolk Downs and Wynn, which have raised neighborhood concerns about adding traffic to busy roads.

“The land lends itself to replicating what Scott and his team have already done in Foxwoods, in terms of giving it that look and feel, and not being in a congested area that’s difficult to get to,” said Nunes, who has pursued a casino in Milford since 2008. The state legalized casinos in 2011.

Nunes has proposed building new exit ramps from Route 495 to get visitors to the property, which he said would require approval from state and federal transportation officials.

Winning approval for new highway exits can be a lengthy and complicated process.

Foxwoods was developed as a tribal casino under federal law. In Massachusetts, Foxwoods will pursue a state license to run a gambling business strictly as a commercial casino company. Under Massachusetts law, commercial casinos cannot be licensed unless the residents of the host community endorse the project in a referendum.

“We understand [a vote] is part of the process,” said Butera. “It’s good because we

want the town and the local community to participate in what we're doing, and to feel they have a say."

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